

# QUARTERLY REPORT:

## MASTER BOND FUND

### PREPARED PURSUANT TO

### THE ILLINOIS UNEMPLOYMENT INSURANCE TRUST FUND FINANCING ACT

### (30 ILCS 440/3K)

**December 2014**

The Master Bond Fund (MBF) contains revenues from employers that are attributable to the fund building rate under Illinois law (see 820 ILCS 405/1506.3A). A portion of the MBF is irrevocably pledged to the timely payment of bond obligations and bond administrative expenses. The proceeds of any bonds issued pursuant to the Illinois Unemployment Insurance Trust Fund Financing Act are to be held in trust in the MBF for purposes including, but not limited to, the payment of principal and interest on outstanding federal advances and deposits into the State's account in the Unemployment Trust Fund (UTF).

**Receipts:** On July 31, 2012, \$1,621,150,788 in bond proceeds, net of premium and underwriters' discount, were deposited in the MBF upon closing of the Series 2012 bonds. As of November 30, 2014, \$20,435 in interest earnings has been credited to the account. As of November 30, 2014, \$662,244,574 in Fund Building Receipts and \$67,259,928 in Surplus Program Receipts have been deposited into the MBF.

**Expenditures & Transfers:** On July 31, 2012, the majority of available funds in the MBF were transferred out to repay all outstanding federal advances and deposited in the State's account in the UTF in the amount of \$1,183,101,679. The remainder of the transfer in the amount of \$361,901,000 was credited to the State's account in the UTF to fund a surplus. From the bond proceeds, \$981,025 was paid for the cost of issuing the bonds. Trustee fees to date are \$1,500. The annual payment of interest on federal advances was made in late September 2012 in the amount of \$48,391,282. The first interest payment on the bonds was paid on December 15, 2012, in the amount of \$24,678,169 from capitalized interest retained in the MBF from the bond proceeds.

Following are the scheduled and optional bond redemptions and interest payments beginning June 17, 2013 through June 16, 2014 and amounts to be paid on December 15, 2014:

Maturity	Redemptions (Principal)			Interest
<u>Date</u>	<u>Series A</u>	<u>Series B</u>	<u>Series C</u>	<u>Payments</u>
6/17/13	\$ 93,055,000		\$110,000,000	\$32,904,225
12/16/13	\$ 43,455,000			\$31,148,675
6/16/14	\$117,335,000	\$54,690,000		\$30,162,300
12/15/14	\$ 46,185,000	\$68,890,000		\$26,135,125

All of the Series C bonds were redeemed June 17, 2013 in the amount of \$110,000,000 from the proceeds of Excess Pledged Revenue in the amount of \$42,740,072 and from Surplus Program Receipts in the amount of \$67,259,928. The next option date to early redeem Series B bonds is 12/15/14 in the amount of \$68,890,000 to be paid from the proceeds of Excess Pledged Revenue. Retained Pledged Revenue is \$25,000,000.

**Current Bond Indebtedness:** As of December 16, 2014, the outstanding balance of the Series A 2012 revenue bonds will be \$352,045,000 with future scheduled maturity through December 15, 2016. The outstanding balance of the Series B bonds will be \$584,285,000 with future scheduled maturity through June 15, 2020 and with optional early redemptions through December 15, 2016. The total outstanding bond indebtedness will be \$936,330,000 at December 16, 2014.